

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re : **Chapter 11**
:
SEARS HOLDINGS CORPORATION, et al., : **Case No. 18-23538 (RDD)**
:
Debtors.¹ : **(Jointly Administered)**
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**ORDER DENYING THE MOTION OF COMMUNITY UNIT SCHOOL DISTRICT 300
TO DEEM ECONOMIC DEVELOPMENT AGREEMENT REJECTED PURSUANT TO
THE DEBTORS' CONFIRMED CHAPTER 11 PLAN, OR, IN THE ALTERNATIVE,
TO COMPEL THE DEBTORS TO REJECT THE AGREEMENT**

Upon the motion, dated November 2, 2020 (ECF No. 9061) and exhibits thereto (ECF No. 9062) (together, the “**Motion**”)² of Community Unit School District 300 (the “**School District**”) in the above-captioned chapter 11 cases of Sears Holdings Corporation and certain of its affiliates, as debtors and debtors in possession (collectively, the “**Debtors**”) pursuant to

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innoval Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); SR – Rover de Puerto Rico, LLC (f/k/a Sears, Roebuck de Puerto Rico, Inc.) (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Rover Brands Business Unit, LLC (f/k/a Sears Brands Business Unit Corporation) (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); Sears Brands Management Corporation (5365); and SRe Holding Corporation (4816). The location of the Debtors’ corporate headquarters is c/o M-III Partners, LP, 1700 Broadway, 19th Floor, New York, NY 10019.

² Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Motion.

Sections 105(a) and 365 of chapter 11 of title 11 of the United States Code for entry of an order deeming the Economic Development Agreement (the “**EDA Agreement**”) between Sears, Roebuck & Co. and the Village of Hoffman Estates, Illinois (the “**Village**”) rejected pursuant to the Debtors’ confirmed *Modified Second Amended Joint Chapter 11 Plan* (ECF No. 5370), or, in the alternative, compelling the Debtors to reject the EDA Agreement, as set forth more fully in the Motion and the School District’s Supplement to the Motion, dated November 6, 2020 (ECF No. 9071); and upon consideration of the Village’s objection to the Motion, dated November 11, 2020 (ECF No. 9079) (the “**Village Objection**”), the Debtors’ objection to the Motion, dated November 11, 2020 (ECF No. 9083) (the “**Debtors’ Objection**”), the declaration of Jared R. Friedmann in support of the Debtors’ Objection, dated November 11, 2020 (ECF No. 9084), and the School District’s reply to the Debtors’ Objection and the Village Objection, dated November 15, 2020 (ECF No. 9095); and the Court having jurisdiction to decide the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157(a)-(b) and 1334(b) and the Amended Standing Order of Reference M-431, dated January 31, 2012 (Preska, C.J.); and consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the relief sought in the Motion and the opportunity for a hearing thereon having been provided in accordance with the Amended Case Management Order; and such notice having been adequate and appropriate under the circumstances, and it appearing that no other or further notice need be provided; and the Court having held a hearing to consider the relief requested in the Motion on November 20, 2020 (the “**Hearing**”); and upon the record of the Hearing and all of the proceedings had before the Court; and after due deliberation and for the reasons stated by the Court in its bench ruling at the Hearing, the Court having determined that the Motion should be denied as being contrary to the

plain terms of the applicable provisions of the Bankruptcy Code and the Debtors' Plan, as well as in the alternative, because the School District has not established sufficient cause for the requested relief; now, therefore,

IT IS HEREBY ORDERED THAT:

1. The Motion is denied.
2. The Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, and/or enforcement of this Order.

Dated: November 23, 2020
White Plains, New York

/s/Robert D. Drain

THE HONORABLE ROBERT D. DRAIN
UNITED STATES BANKRUPTCY JUDGE